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Vietnamese Communist purchases of Cambodian rice for cross-border movement to their forces in southern Laos and South Vietnam probably averaged about 20,000 tons a year in 1966 and 1967. No significant change in volume is currently predicted for 1968. The 20,000 ton volume was approximately equivalent to 1 percent or less of production and 10 percent or less of exports in 1966-67. It will amount to about 0.8 percent and 5 percent of production and exports respectively, in 1968 -- if current crop expectations are realized.

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Assumption 1.a. - That the Cambodian Government is able to exercise complete control over all rice exports and that the Cambodian Government will sell all of the exports to the highest bidder, i.e., that cost factors, rather than commitments, govern the sales.

Exports of rice and derivatives in 1968 probably will total between 300,000 and 400,000 tons. Assuming exports will reach the upper limit (400,000 tons), and that a 10 percent premium over the market price would

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Assumption 1.b. - Identical to 1.a. except that a portion of exports continues to be sold to selected customers other than VC/NVA buyers.

If 50 percent was exported to normal customers, the remaining 50 percent (200,000 tons in 1968) would cost about \$40 million.

If 75 percent was exported to normal customers, the remaining 25 percent (100,000 tons in 1968) would cost about \$20 million.

Assumption 1.c. - [REDACTED] 25X1X4

milled rice. (VC/NVA elements purchase both paddy and milled rice, but they probably do not buy by-products of rice milling. Cambodia exports almost no paddy but does export rice by-products).

Approximately 200,000 tons of milled rice will be available for export in 1968. At a price of \$200 per ton, the entire volume would cost \$40 million. Assuming 50 percent of the total is earmarked for customers other than VC/NVA buyers, [REDACTED] 25X1C

25X1C [REDACTED]

Assumption 2. - Despite government restrictions, illegal cross-border trade in rice continues. [REDACTED] 25X1X4

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as the exports of milled rice. The current harvest of about 2.3 to 2.5 million tons of paddy will be potentially available in the domestic market in 1968. [REDACTED] 25X1C

25X1C [REDACTED]

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